



JOHN NAIMO
ACTING AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

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August 14, 2014

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: John Naimo
Acting Auditor-Controller

A handwritten signature in black ink that reads "John Naimo". The signature is written in a cursive, flowing style.

SUBJECT: **DEPARTMENT OF PUBLIC SOCIAL SERVICES – STATE MANDATED
FINANCIAL AND COMPLIANCE AUDITS OF PROGRAM CONTRACTS
– FISCAL YEAR 2012-13**

The Department of Public Social Services (DPSS) administers and contracts with private firms for services related to various State assistance programs. The contracts include clerical support, training, case management services, and service coordination for programs such as CalWORKs Support Services, Community Services Block Grant, etc. The State requires the County to conduct financial and compliance audits of each contract after the contracts have expired, to ensure the contractors complied with all State requirements.

At DPSS' request, we contracted with an independent Certified Public Accounting (CPA) firm, Bazilio Cobb Associates, PC (BCA), to conduct the financial and compliance audits of 35 DPSS program service contracts that expired in Fiscal Year 2012-13. Payments for the 35 contracts totaled \$3.38 million.

Review Summary

As indicated on the attached schedule, the audits disclosed that DPSS overpaid two contractors a total of \$1,936. The overpayments resulted from the contractors' overbillings of salaries and benefits, over allocation of overhead costs, and unsupported expenses.

Review of Report

BCA discussed their reports with each contractor and DPSS. DPSS management indicated that the Department has requested repayment of all monies owed from the two contractors (Domestic Abuse Center and Office of Samoan Affairs).

Due to the number of audits, copies of the individual reports are not attached, but are available for review. Please call me if you have any questions, or your staff may contact Robert Smythe at (213) 253-0101 if you would like to review any of the reports.

JN:AB:RS:MP

Attachment

c: William T Fujioka, Chief Executive Officer
Sheryl L. Spiller, Director, Department of Public Social Services
Public Information Office
Audit Committee

STATE MANDATED FINANCIAL AND COMPLIANCE
AUDITS OF DPSS PROGRAM CONTRACTS
FISCAL YEAR 2012-13

	Contractor Name	Amount Paid to Contractor	Amount Due to DPSS	Contract Name	Description of Services
1	Child and Family Center	\$150,000		CalWORKs GAIN/GROW/ Domestic Violence Supportive Services Program	Provides Domestic Violence Supportive Services to CalWORKs participants, and their minor children, that lead them to a safer and more stable environment. The program designs activities to provide the necessary support for domestic violence victims to achieve the desired outcome of obtaining unsubsidized employment and move toward self-sufficiency.
2	Children's Institute International	\$155,219			
3	Domestic Abuse Center	\$150,000	\$1,640		
4	East Los Angeles Women's Center	\$184,689			
5	Haven Hills, Inc.	\$150,000			
6	Helpline Youth Counseling, Inc.	\$123,538			
7	Interval House	\$112,050			
8	Jewish Family Service of Los Angeles	\$140,000			
9	Office of Samoan Affairs	\$141,417	\$296		
10	Rainbow Services, Ltd.	\$162,000			
11	South Asian Helpline and Referral Agency	\$52,404			
12	Valley Women's Center	\$121,064			
13	WeTip, Inc.	\$67,292		Anonymous Welfare Fraud Referral and Rewards Service	Provides the County with a 24-hour per day, seven days a week, toll free telephone line for the public to anonymously report suspected welfare fraud crimes. The Contractor refers all reports of welfare fraud received to DPSS' Welfare Fraud Prevention and Investigation Section.

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FISCAL YEAR 2012-13**

	Contractor Name	Amount Paid to Contractor	Amount Due to DPSS	Contract Name	Description of Services
14	Antelope Valley	\$61,294		Community Services Block Grant (CSBG)	Provides domestic violence services under the CSBG Program serving low-income families and individuals that meet the federal poverty income guideline requirements, which include populations that are eligible to receive CalWORKs, or individuals eligible to receive Federal Supplemental Social Security income benefits.
15	Domestic *	\$72,415			
16		\$84,258			
17	Bienvenidos Children's Center, Inc.	\$78,064			
18	Catholic Charities of Los Angeles, Inc.	\$70,504			
19	Eastmont Community Center	\$100,791			
20	Foothill Family	\$66,621			
21	Service *	\$60,684			
22	Jovenes, Inc.	\$74,226			
23	Project Impact	\$105,015			
24	Santa Anita Family Service	\$62,460			
25	Soledad Enrichment Action, Inc.	\$97,758			
26	Southeast Area Social Services	\$80,819			
27	Funding Authority*	\$60,399			
28	Southeast Churches Service Center	\$56,810			
29	Southern California Alcohol and Drug Programs, Inc.	\$97,088			

* Contractor had more than one contract; the total amount paid is listed for each contract.

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	Contractor Name	Amount Paid to Contractor	Amount Due to DPSS	Contract Name	Description of Services
30	Special Services for Groups - Children's Dental Project	\$58,211		CSBG	Provides domestic violence services under the CSBG Program serving low-income families and individuals that meet the federal poverty income guideline requirements, which include populations that are eligible to receive CalWORKs, or individuals eligible to receive Federal Supplemental Social Security income benefits.
31	Spiritt Family Services	\$88,148			
32	Su Casa	\$65,075			
33	Women's and Children's Crisis Shelter, Inc.	\$65,682			
34	YWCA of San Gabriel Valley - Intervale Senior Services *	\$60,280			
35		\$106,360			
Totals		\$3,382,635	\$1,936		

* Contractor had more than one contract; the total amount paid is listed for each contract.